

PRORATED RESPONSIBILITY OF MAINTAINING
A STANDARD JOINT USE ATTACHMENT POLE

Joint Use Pole Height - 40 Ft.

- A. Space Allocated APCo - [REDACTED] Ft.
B. Space Allocated SCB - [REDACTED] Ft.
C. Commonly Allocated Space - [REDACTED] Ft.





$$\text{APCo share (\%)} = \frac{[REDACTED]}{40} \times 100$$

$$= [REDACTED]$$

$$\text{SCB share (\%)} = \frac{[REDACTED]}{40} \times 100$$

$$= [REDACTED]$$

JOINT USE PAYMENT PROCEDURE

1. Imbedded APCo Owned Joint Use Pole Cost =
35 Ft. Imbedded Pole Cost (Exhibit 3, Col. B) x Per Cent
35 Ft. & Shorter (Exhibit 1, B) +
40 Ft. Imbedded Pole Cost (Exhibit 3, Col. D) x Per Cent
40 Ft. & Taller (Exhibit 1, B) +

2. Imbedded SCB Owned Joint Use Pole Cost =
35 Ft. Imbedded Pole Cost (Exhibit 2, Col. B) x Per Cent
35 Ft. & Shorter (Exhibit 1, C) +
40 Ft. Imbedded Pole Cost (Exhibit 2, Col. D) x Per Cent
40 Ft. & Taller (Exhibit 1, C) =

3. Cost To Each Party For A Joint Use Attachment
 - A. SCB Payment For A Joint Use Attachment =
Imbedded APCo owned joint use pole cost (Para. 1, above) x
latest APCo A/C (Exhibit 4) x SCB share of a joint use
pole (Exhibit 5, Para. 1)

 - B. APCo Payment For A Joint Use Attachment
Imbedded SCB owned joint use pole cost (Para. 2, above) x
latest SCB A/C (Exhibit 4) x APCo share of a joint use
pole (Exhibit 5, Para. 1) =


Numerical Values Are For Illustration

6-1-78

APC000328

4. Net Cost To Be Billed For Joint Use Attachments =

Number of APCo owned joint use poles (Exhibit 1, A) x
SCB payment (Para. 3-A, above) - Number of SCB owned joint
use poles (Exhibit 1, A) x APCo payment (Para. 3-B, above) =

[REDACTED]
(Amount to be paid to APCo by SCB)

Numerical Values Are For Illustration

6-1-78

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INTEREST CALCULATIONS FOR
RETROACTIVE ADJUSTMENT PAYMENTS

Example: As a result of the April 15, 1983 "true-up" calculations in accordance with this Appendix B it is found that [REDACTED] is due on the April 15, 1979 (end of year 1978) billing. Interest rates were [REDACTED] in 1979, [REDACTED] in 1980, [REDACTED] in 1981, and [REDACTED] in 1982. The amount due from the April 1, 1979 retroactive adjustment will be:

[REDACTED]

Any amounts due on the three other interim years will be calculated accordingly.

EXHIBIT 3

This Appendix, effective as of January 1, 1984 consisting of two (2) pages and five (5) Exhibits hereto, shall be used to determine annual billing for the sharing of the costs of maintaining joint use poles.

A. Prior to April 1, 1984, and each fifth year thereafter, the parties shall ascertain by actual count or other method or methods mutually agreed upon:

1. the total number of joint use poles owned by each party.
2. the number of joint use poles and the age distribution of those poles which are a) 35 feet and shorter and, b) 40 feet and taller.
3. the previous year's limited operating charges.
4. the previous year's embedded pole costs.

B. In interim years in which an actual count is not made, the parties shall 1) estimate the counts required in A-1 above by mutually agreeable methods and establish the interim year estimates in Appendix B, Exhibit 1 for five subsequent years following each five year pole count, 2) establish the age and size distribution of poles and the embedded pole costs as outlined in Appendix B Exhibit 2, and 3) establish in accordance with Appendix B, Exhibit 3 the limited operating charges applicable to pole rental for the five years following each fifth year pole count.

C. The data assembled in 1983, and in each fifth year in accordance with Paragraph A above shall be the basis for the establishment of interim year numbers of joint use poles, interim year pole age and size distribution, interim year embedded pole costs, and limited operating charges to be used for the entire five year period between pole counts. All components herein shall be calculated in accordance with Exhibits 1 through 5 of this Appendix B and shall be used in the establishment of interim year pole rental owed by each party to the other party. Rental billing shall be rendered and paid prior to January 15 of each calendar year following an interim year.

D. After each fifth year pole count is completed, the parties will reconcile the interim years' billing by determining the difference between the actual increased or decreased number of joint use poles and the previous fifth year pole count. The difference will be divided by five and the resulting quotient will be added to or subtracted from the estimated number of joint use poles for each interim year. The reconciliation of the pole rental for each interim year shall be made by adjusting the estimated number of joint use poles as described herein and applying the embedded pole costs as described in Exhibit 2 and limited operating charges as described in Exhibit 3 for the five year period following the latest fifth year pole count. Rental billing for the fifth year shall be rendered and paid prior to January 15 of the calendar year following the fifth year.

E. The retroactive adjustment payment for each interim year shall be subject to interest charges beginning the first day of January of the year following each such interim year if the estimated payment made was less than the actual amount due. If the estimated payment was greater than the actual amount due, the overpayment shall be subject to interest charges beginning on the day of the overpayment. Said interest charges shall be compounded annually and shall continue until retroactive adjustment payments plus interest charges have been paid in full. The annual rate of interest for each year shall be established historically and shall be the yearly weighted average prime interest rate of the AmSouth Bank of Birmingham rounded to the nearest one-fourth percent (1/4%). The differences in amount shall be billed accordingly and paid prior to April 15, 1989 and each fifth year thereafter.

PUBLIC VERSION

APPENDIX B

Page 2 of 2

F. This Appendix B and the exhibits contained within shall remain in effect through the pole rental year 1988. Prior to June 1, 1989, this Appendix B may be revised to reflect conditions and costs existing at that time and mutually agreeable to both parties.

Approved:

ALABAMA POWER COMPANY

APPROVED AS TO FORM:
EALCH BINGHAM BAKER WARD SMITH BOWMAN & THACARD
BY S. Eason Patch Jr.

BY R B Hicks
Manager - Distribution *by WRA*

DATE Oct. 17, 1984

SOUTH CENTRAL BELL TELEPHONE COMPANY



BY [Signature]
General Manager-Distribution-North
BY [Signature]
General Manager-Distribution-South

DATE Oct. 17, 1984

PUBLIC VERSION

APPENDIX B
EXHIBIT 1

QUANTITY OF JOINT USE POLES
OWNED BY EACH PARTY

The number of poles owned by each party to be used for interim year rental calculations shall be as shown below. Following the 1988 pole count, the number of poles owned by each party shall be reconciled in accordance with Appendix B, Paragraph D.

Per Pole Count in 1983:

APC on SCB	132,022
SCB on APC	277,782
Total	409,804

From Previous Five Year History:

Growth 1979 - 1983:

APC installed 9,047 = 38.6% of total (of which 23% were 35' and 77% were 40')
SCB installed 14,368 = 61.4% of total (of which 14% were 35' and 86% were 40')
Total 23,415

Projection for 1984 - 1988:

Assumed Growth = 23,000
Placed on 60/40 Basis

SCB Places 2760/yr of which 14% are 35' and 86% are 40' poles.
APC Places 1840/yr of which 23% are 35' and 77% are 40' poles.

PROJECTED TOTAL POLES

	<u>APC</u>	<u>SCB</u>
1984	279,622	134,782
1985	281,462	137,542
1986	283,302	140,302
1987	285,142	143,062
1988	286,982	145,822

PROJECTED POLES TO BE INSTALLED 1984 - 1988

	<u>APC</u>		<u>SCB</u>	
	<u>35'</u>	<u>40'</u>	<u>35'</u>	<u>40'</u>
1984	423	1417	386	2374
1985	423	1417	386	2374
1986	423	1417	386	2374
1987	423	1417	386	2374
1988	423	1417	386	2374

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CALCULATION OF EMBEDDED POLE COSTS

Embedded pole costs will be determined by the age distribution of poles in place and the actual costs of the bare installed poles at the time of installation.

To determine the distribution by age, the number of joint use poles owned by each party that were installed in each year will be determined or, by mutual agreement of both parties, estimated. Poles will be divided into 29 age groups representing poles that were installed during each year from one to twenty-nine years and one age group representing poles that have been installed 30 or more years.

To determine the embedded pole costs for each age group, the total number of poles in each age group will be multiplied by the unit cost of an installed bare pole of that age group. The sum of these products represents the total weighted pole costs from the age groups. The total weighted pole costs are divided by the total number of joint use poles included in all age groups to yield the raw embedded pole cost. Separate calculations are made for 35' and shorter poles and 40' and taller poles. A combined weighted raw pole embedded pole cost shall be calculated as shown on Page 3 and Page 4 of this exhibit.

Page three of this exhibit represents the calculation of embedded pole costs for joint use poles owned by Alabama Power Company through 1983. Page four of this exhibit represents the calculation of embedded pole costs for joint use poles owned by South Central Bell Telephone Company through 1983. The number of poles that were installed in each year and the pole sizes were determined from an actual count of joint use poles by Alabama Power Company and South Central Bell Telephone Company. Because of the large sample size, the calculations are truly representative of poles owned by Alabama Power Company and South Central Bell Telephone Company. This calculation shall be used by both parties as the actual embedded pole costs for 1983 and shall be revised following each fifth year pole count.

Since the actual pole count as used in the calculations on pages 3 and 4 of this exhibit occurs every five years, the calculations for interim years will be made as follows. During each subsequent interim year, all poles that were in the 29 year old group will be added to the 30 year old and older group. An estimate of poles to be installed for joint use during the interim rental years will be made. All intermediate years will remain unchanged. The unit cost of poles for the five years following each pole count will be estimated. Following the next actual count at the end of five years (1988, 1993, etc.), the numbers of poles in each age group will be revised to reflect the then current conditions.

To raw embedded pole costs is added the costs per pole of pole reinforcement. This cost is calculated by dividing the total investment in pole reinforcement by the total number of distribution poles in service. Such recognizes the benefits of pole reinforcement to both parties through the elimination of the costs of replacement poles and the elimination of the costs associated with the transfer of facilities from decayed poles to replacement poles.

The following estimated embedded pole costs will be used by both parties for 1984 through 1988 pole rental. Prior to June 1, 1989, embedded pole costs will be recalculated using the methods described herein for the 1989-1993 pole rental period.

	<u>Embedded Pole Costs</u>	
	<u>SCBTCO</u>	<u>APCO</u>
1984		
1985		
1986		
1987		
1988		

ALABAMA POWER COMPANY EMBEDDED POLE COSTS

Year in Service	# Poles 35' & Under	35' Unit Cost	Unit Cost x Number of Poles	# Poles 40' & Over	40' Unit Cost	Unit Cost x Number of Poles
1954 and older	35,158			23,771		
1955	2,802			3,957		
1956	2,651			3,404		
1957	3,003			3,635		
1958	3,293			3,394		
1959	2,239			2,882		
1960	3,093			3,826		
1961	2,390			2,892		
1962	2,661			3,936		
1963	2,832			3,977		
1964	3,083			5,202		
1965	3,957			6,367		
1966	3,404			4,147		
1967	3,966			4,961		
1968	4,770			7,220		
1969	3,675			5,513		
1970	3,505			6,457		
1971	4,047			6,106		
1972	3,916			6,818		
1973	3,374			6,718		
1974	4,107			7,220		
1975	3,444			5,252		
1976	2,952			5,413		
1977	1,617			2,993		
1978	2,129			5,332		
1979	1,587			4,368		
1980	1,546			4,670		
1981	1,255			5,262		
1982	864			2,972		
1983	251			1,546		
	<u>117,571</u>			<u>160,211</u>		

= [REDACTED] (35' & Under)
 117,571

= [REDACTED] (40' & Over)
 160,211

Total Poles = 277,782
 Embedded Cost = [REDACTED]
 Reinforcement

PUBLIC VERSION

SOUTH CENTRAL BELL EMBEDDED POLE COSTS

Appendix B
Exhibit 2
Page 4 of 4

YEAR	35' POLES	Σ TOTAL	UNIT COST CONTRIBUTION	YEAR	40' POLES	Σ TOTAL	UNIT COST CONTRIBUTION
1983	11	0.0051764706		1983	67	0.0060793031	
1982	35	0.0164705882		1982	174	0.015788041	
1991	60	0.0282352941		1981	358	0.0324834407	
1980	58	0.0272941176		1980	404	0.0366572906	
1979	76	0.0357647059		1979	488	0.0442791035	
1978	88	0.0414117647		1978	572	0.0519009164	
1977	83	0.0390588235		1977	521	0.0472733872	
1976	68	0.032		1976	421	0.0381998004	
1975	77	0.0362352941		1975	388	0.0352055167	
1974	68	0.032		1974	461	0.0418292351	
1973	53	0.0249411765		1973	363	0.03293712	
1972	68	0.032		1972	386	0.035024045	
1971	63	0.0296470588		1971	257	0.023319118	
1970	64	0.0301176471		1970	310	0.028128117	
1969	75	0.0352941176		1969	326	0.0295798929	
1968	68	0.032		1968	435	0.0394701025	
1967	54	0.0254117647		1967	252	0.0228654387	
1966	54	0.0254117647		1966	212	0.019236004	
1965	82	0.0385882353		1965	439	0.039833046	
1964	67	0.0315294118		1964	433	0.0392886308	
1963	56	0.0263529412		1963	311	0.0282188549	
1962	63	0.0296470588		1962	335	0.0303965157	
1961	72	0.0339823529		1961	310	0.028128119	
1960	77	0.0362352941		1960	317	0.0287632701	
1959	65	0.0305832353		1959	377	0.0342074222	
1958	45	0.0211764706		1958	294	0.0266763452	
1957	39	0.0183529412		1957	263	0.0238635333	
1956	51	0.024		1956	313	0.0284003266	
1955	55	0.0258823529		1955	307	0.0278559114	
1954	330	0.1552941176		1954	927	0.0841121495	
TOTAL	2125	1	100.021087059		11021	1	

TOTAL POLES

13146

POLES (35')=Σ TOTAL
POLES (40')=2 TOTALWEIGHTED \$/POLE (35')
WEIGHTED \$/POLE (40')

AVG COST PER POLE